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# **ARKANSAS STATE BUDGET FACTS**

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**Governor  
Mike  
Beebe**

**Department of  
Finance and Administration**

**Richard A. Weiss, Director**

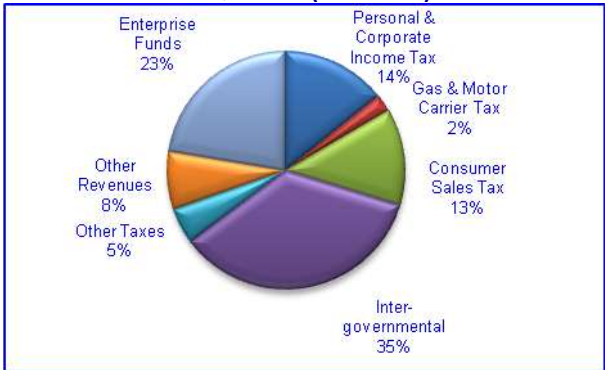
**[www.arkansas.gov/dfa](http://www.arkansas.gov/dfa)**

# FISCAL YEAR 2011

## REVENUE FROM ALL SOURCES

All revenue categories are reported on the modified accrual basis of accounting, except enterprise, which is reported on the full accrual basis.

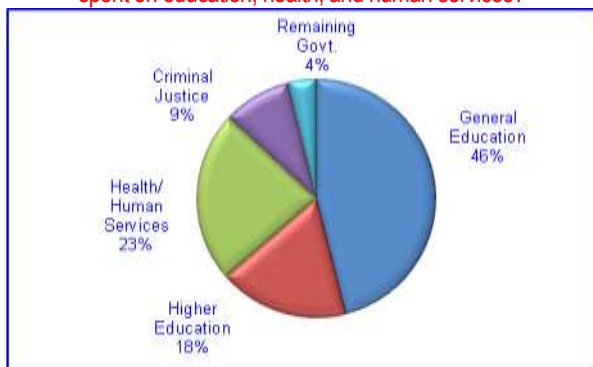
**\$18,942.9 (Millions)**



- **Personal and Corporate Income Tax** – revenues collected from citizens and corporate entities based upon their taxable income as defined by the Internal Revenue Service and Arkansas law. Revenue collected is distributed to State Agencies in accordance with the Revenue Stabilization Act and used to provide programs and services.
- **Consumer Sales Tax** – revenues collected from consumers on the purchases of goods and services, as prescribed by Arkansas law. This revenue is also distributed to State Agencies in accordance with the Revenue Stabilization Act.
- **Gas and Motor Carrier Tax** – special levies on the purchase of motor fuels and certain vehicle related transactions. This revenue is used to fund the Arkansas Highway and Transportation Department.
- **Other Taxes** – all other tax revenue. Examples include cigarette and soft drink tax revenue.
- **Intergovernmental** – predominately federal revenue used to fund federally mandated programs or to support federal grants. Most federal funds utilized in Arkansas are matched by State funds in order to maximize resources.
- **Other Revenues** – revenue collected through the sale of licenses, fees, permits, goods, services, investment income, fines and other items. The revenue is collected for the operation of specific State Agencies or programs.
- **Enterprise Funds** – revenue generated from all sources by State Agencies classified as Enterprise Funds. Activities of the Worker's Compensation Commission, Lottery Commission, Unemployment Insurance Division of the Department of Workforce Services and the State's Institutions of Higher Education are examples of such funds because a substantial amount of revenues is generated from user fees charged to external parties.

**FISCAL YEAR 2011**  
**GENERAL REVENUE FUNDS**  
**DISTRIBUTION**  
**\$4,747.5 (Millions)**

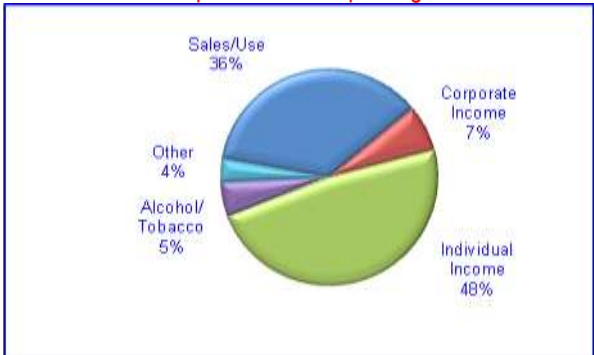
Did you know 87¢ of every general revenue tax dollar is spent on education, health, and human services?



- Arkansas' educational system is a national model for its advanced placement policies for high school college preparatory courses and was recognized by the College Board and Educational Testing Service for being one of two states to have the largest yearly increase in students earning top grades in 2006. Arkansas higher education 2010 fall enrollment was 172,445 students, a 15% increase since 2006. Public institutions account for 90% of enrollment.
- Included in the distribution of general revenues are funds earmarked for education, particularly for K – 12 students. The Educational Excellence Trust Fund established in 1987 and the Educational Adequacy Fund established in 2004, both provide specific revenue streams to insure adequacy and equity in funding for the state's K-12 education system
- 678,358 Arkansans received support from the Supplemental Nutrition Assistance Program (formerly Food Stamp Program). Over \$717 million in benefits were provided to this program which serves as a nutrition safety net for low-income children, families, and adults. A Commodity Distribution program provides more than 19.3 million pounds of USDA-donated food to needy and unemployed Arkansans through school lunch programs, charitable and correctional institutions, child feeding programs, disaster organizations, soup kitchens, and food banks.
- Arkansas' criminal justice agencies include the Arkansas State Police, Crime Laboratory, Crime Information Center, correctional institutions, and innovative community correction and supervision programs.
- The remainder of each tax dollar goes to fund budgets in areas such as economic development, environmental activities, and parks and tourism.

**FISCAL YEAR 2011**  
**GENERAL REVENUE FUNDS**  
**GROSS COLLECTIONS**  
**\$5,673.4 (Millions)**

Did you know Arkansas has a Revenue Stabilization Law,  
which prevents deficit spending?



- Arkansas' two largest sources of general revenue are collected from a 6% state sales/use tax and from the Arkansas individual income tax. Only 1.5% of the state sales tax rate is applied to food after the current Administration led efforts to lower the tax.
- Arkansas' income tax rate ranges from a low of 1% to a top rate of 7%, averaging 4.4% per individual. The Administration led efforts to enact legislation providing tax relief for Arkansans by increasing the personal property tax homestead credit.
- Other general revenue sources include: taxes on alcohol and tobacco products; gaming and pari-mutuel betting on horse and dog racing; severance taxes on oil, minerals, gravel, and natural gas; corporate franchises and corporate income; and real estate transfers.
- Arkansas voters approved Amendment 75 to the Arkansas Constitution, increasing the state sales/use tax by 1/8th cent to provide money for the state's parks, heritage, and game and fish programs as well as the Keep Arkansas Beautiful program.
- The State of Arkansas is noted for its strong fiscal restraint.  
**The Arkansas state budget must be balanced. Deficits are specifically prohibited by law.** Tax collections are constantly monitored and government expenditures closely reviewed, and revised when necessary.

## THE STATE OF ARKANSAS

- ranks 41st in the nation in per capita state and local taxes and 49th in the nation in property taxes per capita.
- has experienced employment growth averaging 0.1% or 1,150 new jobs per year over the past ten years, bringing total payroll employment to 1,170,100 jobs.
- the Transitional Employment Assistance program has reduced welfare caseloads by 66.7% since SY2011, 41% of all case closures were due to employment.
- is headquarters to 5 “Fortune 500” companies led by Wal-Mart Stores, the world’s largest retailer. The State’s manufacturing base is highly diversified, and is growing in high tech businesses such as information technology, telecommunications, and biotechnology.
- grows practically every crop produced in the U.S. and is a leader in the production of rice, soybeans, eggs, and livestock.
- is a leader in the nation’s high school redesign movement because of its rigorous Smart Core curriculum that ensures all students graduate with the skills they need to succeed at college or in the work place.
- earned the second highest grade in the nation for improving teacher quality from Education Week Newspaper’s 2008 Quality Counts issue.
- owns 54,358 acres in a statewide parks system encompassing 52 state parks and museums, and owns 357,502 acres through the Game & Fish Commission.
- has 16,416 miles of highways and 7,175 bridges to maintain and preserve.
- in any given month, helps more than 624,200 Arkansans to access medical care through the Arkansas Medicaid program.
- has more than 99% of the population living within 40 miles of a public college or institution of higher education.
- ranked among the Top 10 states for the highest percent change in Per Capita Personal Income from 2000-2008.



## Arkansas e-Government Services

(available via the Internet)

--Vehicle Tag Renewals--

--State Income Tax Filing--

--State Sales Tax Reports--

plus, many other services offered by  
other agencies

**For More Information Visit:**

**[www.arkansas.gov/dfa](http://www.arkansas.gov/dfa)**

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